

CITY OF FARGO EMPLOYEES PENSION PLAN
INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2008

	August-08				July-08				Current	Prior Year	3 Years	5 Years
	Allocation		Month		Allocation		Month		Fiscal YTD	FY08	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	(1) Net ROR	6/30/2008 Net ROR	6/30/2008 Net ROR
LARGE CAP DOMESTIC EQUITY												
<i>Structured Growth</i>												
LA Capital	1,257,492	4.4%	4.2%	-0.44%	1,262,802	4.3%	4.2%	-1.18%	-1.61%	N/A	N/A	N/A
Total Structured Growth	1,257,492	4.4%	4.2%	-0.44%	1,262,802	4.3%	4.2%	-1.18%	-1.61%	N/A	N/A	N/A
Russell 1000 Growth				1.08%				-1.90%	-0.84%	N/A	N/A	N/A
<i>Structured Value</i>										N/A	N/A	N/A
LSV	1,148,304	4.0%	4.2%	1.68%	1,128,867	3.8%	4.2%	-0.19%	1.49%	N/A	N/A	N/A
Russell 1000 Value				1.70%				-0.36%	1.33%	N/A	N/A	N/A
<i>Enhanced Russell 1000 Index</i>										N/A	N/A	N/A
LA Capital	1,032,142	3.6%	3.5%	0.64%	1,025,454	3.5%	3.5%	-1.72%	-1.09%	N/A	N/A	N/A
Russell 1000				1.38%				-1.16%	0.20%	N/A	N/A	N/A
<i>Enhanced S&P 500 Index</i>										N/A	N/A	N/A
Northern Trust	484,659	1.7%	1.8%	1.69%	476,599	1.6%	1.8%	-0.49%	1.19%	N/A	N/A	N/A
Westridge	1,081,441	3.7%	3.9%	1.58%	1,063,771	3.6%	3.9%	-0.73%	0.85%	N/A	N/A	N/A
Wells Capital	789,344	2.7%	2.7%	-3.65%	818,114	2.8%	2.7%	-3.81%	-7.32%	N/A	N/A	N/A
European Credit Management	505,900	1.8%	1.8%	0.27%	504,300	1.7%	1.8%	-3.19%	-2.92%	N/A	N/A	N/A
Prudential	585,214	2.0%	1.9%	-0.28%	586,851	2.0%	1.9%	-1.17%	-1.45%	N/A	N/A	N/A
Franklin	507,663	1.8%	1.8%	1.48%	499,775	1.7%	1.8%	-0.90%	0.56%	N/A	N/A	N/A
Total Enhanced S&P 500 Index	3,954,222	13.7%	13.9%	0.06%	3,949,411	13.5%	13.9%	-1.76%	-1.70%	N/A	N/A	N/A
S&P 500				1.45%				-0.84%	0.59%	N/A	N/A	N/A
<i>Absolute Return Strategy</i>										N/A	N/A	N/A
Epoch	555,447	1.9%	2.1%	1.26%	547,974	1.9%	2.1%	-2.04%	-0.81%	N/A	N/A	N/A
S&P 500				1.45%				-0.84%	0.59%	N/A	N/A	N/A
<i>S&P 500 Index</i>										N/A	N/A	N/A
State Street	594,643	2.1%	2.1%	0.31%	592,664	2.0%	2.1%	-1.16%	-0.85%	N/A	N/A	N/A
S&P 500				1.45%				-0.84%	0.59%	N/A	N/A	N/A
TOTAL LARGE CAP DOMESTIC EQUITY	8,542,250	29.6%	30.0%	0.36%	8,507,172	29.0%	30.0%	-1.44%	-1.08%	N/A	N/A	N/A
S&P 500				1.45%				-0.84%	0.59%	N/A	N/A	N/A
SMALL CAP DOMESTIC EQUITY												
<i>Manager-of-Managers</i>										N/A	N/A	N/A
SEI	2,128,118	7.4%	7.2%	1.85%	2,092,933	7.1%	7.2%	1.18%	3.05%	N/A	N/A	N/A
Russell 2000 + 200bp				3.78%				3.87%	7.79%	N/A	N/A	N/A
Callan	910,524	3.2%	2.8%	3.13%	883,359	3.0%	2.8%	0.49%	3.64%	N/A	N/A	N/A
Russell 2000				3.61%				3.70%	7.45%	N/A	N/A	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	3,038,643	10.5%	10.0%	2.23%	2,976,293	10.1%	10.0%	0.97%	3.22%	N/A	N/A	N/A
Russell 2000				3.61%				3.70%	7.45%	N/A	N/A	N/A
INTERNATIONAL EQUITY												
<i>Large Cap - Core</i>										N/A	N/A	N/A
State Street	288,243	1.0%	1.0%	-5.22%	303,922	1.0%	1.0%	-3.73%	-8.76%	N/A	N/A	N/A
MSCI EAFE				-4.05%				-3.21%	-7.13%	N/A	N/A	N/A
<i>Large Cap - Active</i>										N/A	N/A	N/A
Capital Guardian	907,898	3.1%	3.0%	-3.12%	936,101	3.2%	3.0%	-3.93%	-6.93%	N/A	N/A	N/A
LSV	872,088	3.0%	3.0%	-0.99%	880,601	3.0%	3.0%	-2.78%	-3.75%	N/A	N/A	N/A
Total Large Cap - Active	1,779,986	6.2%	7.0%	-2.09%	1,816,702	6.2%	7.0%	-3.38%	-5.40%	N/A	N/A	N/A
MSCI EAFE - 50% Hedged				-1.59%				-2.64%	-4.19%	N/A	N/A	N/A
<i>Small Cap - Active</i>										N/A	N/A	N/A
DFA	285,736	1.0%	1.0%	-3.22%	295,243	1.0%	1.0%	-0.44%	-3.65%	N/A	N/A	N/A
Wellington	287,126	1.0%	1.0%	-4.79%	301,236	1.0%	1.0%	-5.49%	-10.01%	N/A	N/A	N/A
Total Small Cap - Active	572,863	2.0%	2.0%	-4.01%	596,479	2.0%	2.0%	-3.00%	-6.89%	N/A	N/A	N/A
S&P/Citigroup BMI EPAC < \$2BN				-5.40%				-4.30%	-9.47%	N/A	N/A	N/A
TOTAL INTERNATIONAL EQUITY	2,641,092	9.2%	10.0%	-2.86%	2,717,104	9.3%	10.0%	-3.33%	-6.10%	N/A	N/A	N/A
MSCI EAFE - 50% Hedged				-1.59%				-2.64%	-4.19%	N/A	N/A	N/A
EMERGING MARKETS EQUITY												
<i>Core</i>										N/A	N/A	N/A
JP Morgan	216,927	0.8%	0.9%	-5.72%	229,914	0.8%	0.9%	-3.11%	-8.65%	N/A	N/A	N/A
PanAgora	213,659	0.7%	0.9%	-9.00%	234,624	0.8%	0.9%	-3.88%	-12.52%	N/A	N/A	N/A
WestLB	218,264	0.8%	0.9%	-9.44%	241,505	0.8%	0.9%	-4.13%	-13.18%	N/A	N/A	N/A
UBS	295,663	1.0%	1.0%	-6.69%	316,003	1.1%	1.5%	-4.18%	-10.59%	N/A	N/A	N/A
Total Core	944,513	3.3%	3.5%	-7.65%	1,022,045	3.5%	4.1%	-3.87%	-11.23%	N/A	N/A	N/A
MSCI Emerging Markets				-7.95%				-3.69%	-11.35%	N/A	N/A	N/A
<i>Small Cap</i>										N/A	N/A	N/A
DFA	225,952	0.8%	1.0%	-6.04%	240,476	0.8%	1.0%	-1.57%	-7.52%	N/A	N/A	N/A
MSCI Emerging Markets				-7.95%				-3.69%	-11.35%	N/A	N/A	N/A
<i>Private Equity</i>										N/A	N/A	N/A
Capital International	104,723	0.4%	0.4%	0.00%	87,448	0.3%	0.3%	0.00%	0.00%	N/A	N/A	N/A
MSCI Emerging Markets									-11.35%	N/A	N/A	N/A
<i>Infrastructure</i>										N/A	N/A	N/A
JP Morgan	52,680	0.2%	0.2%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
TOTAL EMERGING MARKETS EQUITY	1,327,867	4.6%	5.0%	-6.87%	1,349,969	4.6%	5.0%	-3.25%	-9.89%	N/A	N/A	N/A
MSCI Emerging Markets				-7.95%				-3.69%	-11.35%	N/A	N/A	N/A

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	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	(1) Net ROR	6/30/2008 Net ROR	6/30/2008 Net ROR
DOMESTIC FIXED INCOME												
Core Bond												
Western Asset	546,369	1.9%	2.0%	1.13%	541,135	1.8%	2.0%	-2.53%	-1.42%	N/A	N/A	N/A
<i>Lehman Aggregate</i>				0.95%				-0.06%	0.87%	N/A	N/A	N/A
Index												
Bank of ND	867,754	3.0%	2.6%	0.90%	858,239	2.9%	2.9%	0.04%	0.93%	N/A	N/A	N/A
Total Index	867,754	3.0%	2.6%	0.90%	858,239	2.9%	2.9%	0.04%	0.93%	N/A	N/A	N/A
<i>Lehman Gov/Credit</i>				0.92%				0.00%	0.92%	N/A	N/A	N/A
Enhanced												
Westridge	520,847	1.8%	1.6%	1.55%	511,900	1.7%	1.6%	0.92%	2.48%	N/A	N/A	N/A
<i>Lehman Aggregate</i>				0.95%				-0.08%	0.87%			
Convertibles										N/A	N/A	N/A
Calamos	576,062	2.0%	2.0%	0.27%	572,664	2.0%	2.0%	-1.31%	-1.04%	N/A	N/A	N/A
Total Convertibles	576,062	2.0%	2.0%	0.27%	572,664	2.0%	2.0%	-1.31%	-1.04%	N/A	N/A	N/A
<i>Merrill Lynch All Convertibles</i>				-0.37%				-3.13%	-3.49%	N/A	N/A	N/A
BBB Average Quality										N/A	N/A	N/A
Wells Capital	592,245	2.1%	2.0%	0.69%	700,546	2.4%	2.0%	-0.60%	0.09%	N/A	N/A	N/A
<i>Lehman BBB</i>				0.80%				-0.67%	0.13%	N/A	N/A	N/A
Senior Debt										N/A	N/A	N/A
PIMCO	190,404	0.7%	0.7%	0.00%	95,016	0.3%	0.3%	N/A	N/A	N/A	N/A	N/A
<i>Lehman Aggregate</i>				0.95%				-0.08%	0.87%	N/A	N/A	N/A
Private Debt										N/A	N/A	N/A
Prudential	562,191	1.9%	2.0%	0.17%	560,506	1.9%	2.0%	0.27%	0.43%	N/A	N/A	N/A
<i>Lehman Aggregate</i>				0.95%				-0.08%	0.87%	N/A	N/A	N/A
Timberland										N/A	N/A	N/A
TIR - Teredo	700,350	2.4%	2.4%	-0.05%	698,990	2.4%	2.4%	-0.05%	-0.09%	N/A	N/A	N/A
TIR - Springbank	1,540,984	5.3%	5.3%	-0.14%	1,537,996	5.2%	5.2%	-0.14%	-0.29%	N/A	N/A	N/A
Total Timberland	2,241,334	7.8%	7.8%	-0.11%	2,236,985	7.6%	7.6%	-0.11%	-0.23%	N/A	N/A	N/A
<i>NCREIF Timberland Index</i>				0.34%				0.34%	0.67%	N/A	N/A	N/A
Infrastructure										N/A	N/A	N/A
JP Morgan	1,119,209	3.9%	3.9%	3.18%	1,082,006	3.7%	3.7%	-0.13%	3.04%	N/A	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	7,216,415	25.0%	24.0%	0.85%	7,158,998	24.4%	24.0%	-0.32%	0.53%	N/A	N/A	N/A
<i>Lehman Aggregate</i>				0.95%				-0.08%	0.87%	N/A	N/A	N/A
HIGH YIELD BONDS												
Core												
Loomis Sayles	669,785	2.3%	2.0%	-0.91%	673,688	2.3%	2.0%	-1.44%	-2.34%	N/A	N/A	N/A
Sutter/Wells Capital	592,188	2.1%	2.0%	-0.06%	594,430	2.0%	2.0%	-1.35%	-1.41%	N/A	N/A	N/A
Total Core	1,261,972	4.4%	3.9%	-0.51%	1,268,119	4.3%	4.0%	-1.40%	-1.91%	N/A	N/A	N/A
<i>LB High Yield 2% Issuer Contstrained Index</i>				0.31%				-1.25%	-0.95%	N/A	N/A	N/A
Mezzanine Debt												
Goldman Sachs 2006 Fund	38,547	0.1%	0.1%	0.00%	38,547	0.1%	0.1%	0.00%	0.00%	N/A	N/A	N/A
Goldman Sachs Fund V	55,812	0.2%	0.2%	0.00%	52,030	0.2%	0.2%	0.00%	0.00%	N/A	N/A	N/A
TCW	99,715	0.3%	0.3%	0.85%	92,076	0.3%	0.3%	0.00%	0.85%	N/A	N/A	N/A
Total Mezzanine Debt	194,074	0.7%	0.7%	0.43%	182,652	0.6%	0.6%	0.00%	0.43%	N/A	N/A	N/A
<i>LB High Yield 2% Issuer Contstrained Index</i>				0.31%				-1.25%	-0.95%	N/A	N/A	N/A
Distressed Mortgages												
PIMCO	90,710	0.3%	0.3%	0.00%	90,710	0.3%	0.3%	0.00%	0.00%	N/A	N/A	N/A
Declaration Management	23,290	0.1%	0.1%	0.96%	23,069	0.1%	0.1%	0.00%	0.96%	N/A	N/A	N/A
Total Distressed Mortgages	114,001	0.4%	0.4%	0.19%	113,779	0.4%	0.4%	0.00%	0.19%	N/A	N/A	N/A
<i>LB High Yield 2% Issuer Contstrained Index</i>				0.31%				-1.25%	-0.95%			
TOTAL HIGH YIELD BONDS	1,570,047	5.4%	5.0%	-0.33%	1,564,550	5.3%	5.0%	-1.16%	-1.49%	N/A	N/A	N/A
<i>LB High Yield 2% Issuer Contstrained Index</i>				0.31%				-1.25%	-0.95%	N/A	N/A	N/A
INTERNATIONAL FIXED INCOME												
International Sovereign												
UBS Global (Brinson)	719,683	2.5%	2.5%	-2.68%	739,961	2.5%	2.5%	0.37%	-2.32%	N/A	N/A	N/A
<i>Citigroup Non-US Gov't Bond Index</i>				-2.80%				0.16%	-2.65%	N/A	N/A	N/A
International Core												
Brandywine	765,572	2.7%	2.5%	-2.46%	786,538	2.7%	2.5%	0.85%	-1.63%	N/A	N/A	N/A
<i>Lehman Global Aggregate (ex-US)</i>				-3.29%				0.27%	-3.03%	N/A	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	1,485,254	5.2%	5.0%	-2.57%	1,526,500	5.2%	5.0%	0.62%	-1.97%	N/A	N/A	N/A
<i>Citigroup Non-US Gov't Bond Index</i>				-2.80%				0.16%	-2.65%	N/A	N/A	N/A
REAL ESTATE												
INVESCO - Core	692,170			-0.03%	692,170			-0.03%	-0.07%	N/A	N/A	N/A
INVESCO - Fund II	15,094			0.00%	15,094			0.00%	0.00%	N/A	N/A	N/A
J.P. Morgan Strategic & Special Funds	654,200			0.06%	653,236			-0.22%	-0.15%	N/A	N/A	N/A
J.P. Morgan Alternative Property Fund	175,671			-0.20%	175,671			-0.20%	-0.40%	N/A	N/A	N/A
J.P. Morgan Greater China Property Fund	16,808			0.00%	16,808			0.00%	0.00%	N/A	N/A	N/A
TOTAL REAL ESTATE	1,553,943	5.4%	5.0%	-0.01%	1,552,979	5.3%	5.0%	-0.13%	-0.14%	N/A	N/A	N/A
<i>NCREIF TOTAL INDEX</i>				0.19%				0.19%	0.37%	N/A	N/A	N/A

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	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	(1)	6/30/2008	6/30/2008
											Net ROR	Net ROR
ALTERNATIVE INVESTMENTS												
Coral Partners V	62,289			0.00%	71,069			0.00%	0.00%	N/A	N/A	N/A
Coral Partners V - Supplemental	7,275			0.00%	8,300			0.00%	0.00%	N/A	N/A	N/A
Coral Momentum Fund (Formerly Fund VI)	101,242			0.00%	119,110			0.00%	0.00%	N/A	N/A	N/A
Brinson 1998 Partnership Fund	7,392			0.00%	8,434			0.00%	0.00%	N/A	N/A	N/A
Brinson 1999 Partnership Fund	22,320			0.00%	25,466			0.00%	0.00%	N/A	N/A	N/A
Brinson 2000 Partnership Fund	74,890			0.00%	85,446			0.00%	0.00%	N/A	N/A	N/A
Brinson 2001 Partnership Fund	63,013			0.00%	71,895			0.00%	0.00%	N/A	N/A	N/A
Brinson 2002 Partnership Fund	32,588			0.00%	39,097			0.00%	0.00%	N/A	N/A	N/A
Brinson 2003 Partnership Fund	11,737			0.00%	13,391			0.00%	0.00%	N/A	N/A	N/A
Total Brinson Partnership Funds	211,940			0.00%	243,729			0.00%	0.00%	N/A	N/A	N/A
Brinson 1999 Non-US Partnership Fund	10,593			0.00%	12,087			0.00%	0.00%	N/A	N/A	N/A
Brinson 2000 Non-US Partnership Fund	24,103			0.00%	29,306			0.00%	0.00%	N/A	N/A	N/A
Brinson 2001 Non-US Partnership Fund	17,355			0.00%	19,801			0.00%	0.00%	N/A	N/A	N/A
Brinson 2002 Non-US Partnership Fund	44,000			0.00%	50,202			0.00%	0.00%	N/A	N/A	N/A
Brinson 2003 Non-US Partnership Fund	34,751			0.00%	42,965			0.00%	0.00%	N/A	N/A	N/A
Brinson 2004 Non-US Partnership Fund	18,081			0.00%	20,629			0.00%	0.00%	N/A	N/A	N/A
Total Brinson Non-US Partnership Fund	148,882			0.00%	174,989			0.00%	0.00%	N/A	N/A	N/A
Adams Street 2008 Non-US Partnership Fd	3,233			0.00%	3,232			0.00%	0.00%	N/A	N/A	N/A
Brinson BVCF IV	112,187			0.00%	119,537			0.00%	0.00%	N/A	N/A	N/A
Adams Street Direct Co-investment Fund	128,254			0.00%	131,394			0.00%	0.00%	N/A	N/A	N/A
Matlin Patterson Global Opportunities	41,601			0.00%	65,023			0.00%	0.00%	N/A	N/A	N/A
Matlin Patterson Global Opportunities II	216,315			0.00%	275,944			0.00%	0.00%	N/A	N/A	N/A
Matlin Patterson Global Opportunities III	121,133			0.00%	136,657			0.00%	0.00%	N/A	N/A	N/A
InvestAmerica	54,374			0.00%	65,556			0.00%	0.00%	N/A	N/A	N/A
Hearthstone MSII	621			0.00%	708			0.00%	0.00%	N/A	N/A	N/A
Hearthstone MSIII	10,803			0.00%	12,326			0.00%	0.00%	N/A	N/A	N/A
Corsair III	101,427			0.00%	115,723			0.00%	0.00%	N/A	N/A	N/A
Corsair III - ND Investors LLC	72,734			0.00%	82,986			0.00%	0.00%	N/A	N/A	N/A
Quantum Resources	1,725			0.00%	24,817			0.00%	0.00%	N/A	N/A	N/A
Quantum Energy Partners	21,384			0.00%	20,856			0.00%	0.00%	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (2)	1,417,417	4.9%	5.0%	0.00%	1,671,957	5.7%	5.0%	0.00%	0.00%	N/A	N/A	N/A
CASH EQUIVALENTS												
Northern Trust STIF	12,834			0.19%	319,961			0.19%	0.38%	N/A	N/A	N/A
Bank of ND	33,409			0.16%	-			N/A	N/A	N/A	N/A	N/A
TOTAL CASH EQUIVALENTS	46,243	0.2%	1.0%	0.17%	319,961	1.1%	1.0%	0.19%	0.35%	N/A	N/A	N/A
90 Day T-Bill				0.16%				0.18%	0.33%	N/A	N/A	N/A
TOTAL FUND	28,839,170	100.0%	100.0%	-0.19%	29,345,481	98.9%	99.0%	-0.91%	-1.10%	N/A	N/A	N/A
POLICY TARGET BENCHMARK				0.35%				-0.39%	-0.04%	N/A	N/A	N/A

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Initial funding with State Investment Board on December 28, 2007.

(2) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.